

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:)	CHAPTER 11
)	
SURGALIGN HOLDINGS, INC., <i>et al.</i> ,)	CASE NO. 23-90731 (DRJ)
)	
Debtors.)	(Jointly Administered)
)	

**TENNESSEE DEPARTMENT OF REVENUE’S RESPONSE
TO FIRST OMNIBUS OBJECTION, SCHEDULE 1, OBJECTION 5**

The Tennessee Attorney General, Bankruptcy Division, on behalf of the Tennessee Department of Revenue (“Department”), respectfully submits this response to the Debtors’ First Omnibus Objection, Schedule 1, Objection 5. The Department respectfully asks this Court to hold the claim and objection in abeyance until November 30, 2023. In the alternative, if the Court chooses to reach the merits of the objections, the Department respectfully asks this Court to overrule the objections and uphold the claims.

The Debtors object to the Department’s claim of \$17,550.66 for estimated Tennessee franchise and excise taxes for the year 2022. The Debtors argue that they “do not have any records of the Debtors owing subject taxes[.]” (Doc. 446-1, p. 6). However, the return for the 2022 Tennessee franchise and excise taxes at issue is not due until November 15, 2023. (Exhibit 1). By that date, the Debtors must have the records of the Debtors owing subject taxes, to the extent they are owed. *See generally*, Tenn. Code Ann. §§ 67-1-101 – 118; 67-1-701 – 708; 67-4-2001 – 2023; and 67-4-2101 – 2121. Therefore, the Department respectfully asks this Court to hold the claim and the objection in abeyance until November 30, 2023, which will give the parties a couple of weeks after the deadline for filing the return to try to reach an agreement to

resolve the objection. By that date, the parties either will submit an agreed order resolving the objection or will set the matter for hearing at a later date.

In the alternative, if this Court chooses to reach the merits of the objections, the Department respectfully asks the Court to overrule the objections and uphold the claims. The Debtor chose to keep its Tennessee franchise and excise tax accounts open and active in 2022, and the Bankruptcy Code requires them to comply with the tax laws to which they are subject. *See, e.g.*, 11 U.S.C. §§ 502(i), 503(b)(1)(B), 1106(a)(6), and 1107(a). “A proof of claim executed and filed in accordance with these rules shall constitute prima facie evidence of the validity and amount of the claim.” Bankruptcy Rule 3001(f).

WHEREFORE, the Department respectfully requests:

1. That the Court hold the claims and objections at issue in abeyance until November 30, 2023, by which date the parties either will submit an agreed order resolving the objections or will set the objections for hearing at a later date;
2. In the alternative, if the Court chooses to reach the merits of the objections, that the objections to the Department’s proofs of claim be overruled; and
3. Such other relief to which the Department may be entitled.

Dated: October 3, 2023

Respectfully submitted,

Jonathan Skrmetti
Attorney General & Reporter

/s/ Stephen R. Butler
STEPHEN R. BUTLER, BPR #014772
Senior Assistant Attorney General
Office of the Attorney General
Bankruptcy Division
P.O. Box 20207
Nashville, TN 37202-0207

(615) 532-8718
agbanktexas@ag.tn.gov
On behalf of the TN Dept. of Revenue

CERTIFICATE OF SERVICE

I do hereby certify that, on October 3, 2023, a true and exact copy of the foregoing Motion was duly served upon all parties of record who receive notice electronically via the U.S. Bankruptcy Court's CM/ECF system.

/s/ Stephen R. Butler
STEPHEN R. BUTLER